

## Message Text

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PAGE 01 STATE 240276

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 CIAE-00 COME-00

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DRAFTED BY: XMB:AMOHANIAN

APPROVED BY: EB/IFD:ODF:RASWART

XMB:DOBEIM

ARA/:CEN:PWACKERBATH INFO

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R 082156Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA

UNCLAS STATE 240276

E.O. 11652: NA

TAGS: APUB, HO

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO HONDURAS

FOR YOUR INFO ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT  
BANK RELEASE ON THE DIRECT CREDIT OF DOL2,216,000 TO THE MINISTRY  
OF FINANCE AND PUBLIC CREDIT OF HONDURAS. RELEASE IS SCHEDULED  
FOR ANNOUNCEMENT HERE IN WASH, D.C. FOR A.M. PAPERS, WEDNESDAY,  
OCT 15, 1975.

QTE: EXIMBANK CREDIT OF DOL2,216,000 SUPPORTS DOL5,540,285  
SALE OF US TELEPHONE EQUIPMENT TO HONDURAS

TO HELP FINANCE A DOL5,540,285 SALE OF US GOODS AND SERVICES  
FOR THE SAN PEDRO SULA TELEPHONE EXCHANGE IN HONDURAS, THE  
BOARD OF DIRECTORS OF THE EXPORTIMPORT BANK OF THE UNITED STATES  
HAS AUTHORIZED A DIRECT CREDIT OF DOL2,216,000 TO THE  
MINISTRY OF FINANCE AND PUBLIC CREDIT OF HONDURASM

THE GOVT OF HONDURAS IS PLANNING A MAJOR RENOVATION AND  
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PAGE 02 STATE 240276

EXPANSION OF THE COUNTRY'S TELEPHONE SYSTEM. US PURCHASE FOR THE

SYSTEM QILL INCLUDE SWITCHING EQUIP, ADAPTERS, AUTOMATIC NUMBER IDENTIFICATION, TOLL OPERATION POSITION, DESIGN ENGINEERING AND SUPERVISORY SERVICES. THE US SUPPLIER WILL BE NORTH ELECTRIC COMPANY OF GALLION, OHIO A SUBSIDIARY OF TELECOM. THIS TRANSACTION REPRESENTS NORTH ELECTRIC'S FIRST ENTRY INTO THE LATIN AMERICAN MARKET.

EXIMBANK'S LOAN REPRESENTS 40PERCENT OF THE KS HURCHASES. A CREDIT OF DOL2,770,000 FROM PRIVETE SOURCES NOT YET DESIGNATED WILL FINANCE 50PERCENT OF THE TOTAL US COSTS OF WHICH DOL1,662,000 WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE BO ROWER WILL MAKE CASH PAYMENT OF 10 PERCENT, REPRESENTING THE BALANCE OF THE US COSTS.

INTEREST ON THE EXIMBANK LOAN OF 7-1/2 PERCENT COMBINED WITH THE INTEREST RATE FROM PRIVATE SOURCES AT CURRENT RATES WILL RESULT IN A BLENDED ANNUAL INTEREST COST TO THE BORROWER OF BETWEEN 8.8 PERCENT AND 8.9 PERCENT.

THE LOANS ARE TO BE REPAID IN 18 SEMIANNUAL INSTALLMENTS BEGINNING MARCH 10, 1978. EXIMBANK'S CREDIT IS TO BE REPAID OUT OF THE LAST 8 INSTALLMENTS. UNQTE K SSINGER

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## Message Attributes

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**Status:** NATIVE  
**Subject:** PRESS RELEASE ON EXIMBANK CREDIT TO HONDURAS FOR YOUR INFO ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT  
**TAGS:** APUB, HO  
**To:** TEGUCIGALPA  
**Type:** TE  
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